

President's Plan Strengthens Small Business and Fuels Economy

By Administrator Hector V. Barreto, U.S. Small Business Administration

President Bush has put a spotlight on America's small businesses and the important role they play in the health of our economy. In appreciation of that role, the President has unveiled an ambitious agenda to ensure their long term growth and vitality.

As our military battles terrorism around the world, President Bush is also concentrating on another pillar of our national strength, our economy. Specifically, the President is focusing on the backbone of our economy, small business.

I recently joined President Bush in announcing his bold vision aimed at creating an environment in which small businesses can flourish. This plan will deliver for small business owners so that they can better deliver for their customers and their employees; so more entrepreneurs can realize the American dream.

Through common sense reform of government regulation and the tax code, small businesses will enjoy a simplified process, freeing them to pursue greater success. The small business people that I have encountered throughout the country have eagerly voiced their concerns to me. The President's agenda is a breath of fresh air for those burdened by high tax rates, unmanageable healthcare costs and government red tape.

With 25 million small businesses across the country accounting for two of every three new jobs created, the benefits they generate for the economy are great. And so are the challenges faced by small business men and women as they pursue their dreams. In some cases government is to blame for those challenges and is simply not able or willing to recognize that a problem exists. As a result the government has not been in a position to offer solutions.

President Bush, like myself, is a former businessman and understands the needs of small business owners, in short - he gets it. The Administration's small business agenda recognizes the challenges entrepreneurs face, and will reinforce and encourage growth for America's small businesses. This positive response to their needs will enable them to create new jobs, support their workers and fuel our economy.

The President's tax cut package from last year is already providing much needed relief for small business. The health of those small businesses has contributed to the early signs of some spurring in the economy. However, there is still unfinished business in regards to tax relief, and this plan gets it done.

Entrepreneurs would benefit from these tax incentives that encourage them to expand their business, hire new workers and provide new and/or improved products. The President called for the elimination of the death tax, which was temporary as part of last year's tax reform, to be made permanent. I have heard from countless small business owners what an onerous and unfair law this is. It amounts not only to double taxation, it

often prevents a farm or small business owner from passing on his or her life's work to loved ones.

Like taxes, health care is high on the list of concerns. Health care continues to be unaffordable for many small businesses, leaving their employees among the uninsured. This Administration wants to give those small business owners access to more affordable and improved health care options for their employees and themselves.

I consistently hear about the heavy burdens put on small business people by government regulation and red tape. The SBA is in position to take the lead, educating other federal agencies, and cooperating with them to aggressively tear down unnecessary and unfair regulatory barriers to small business success and job creation and cut the red tape that flows from Washington.

Simplification of the tax code and accounting procedures is another welcome component of the President's plan. These provisions will allow more small businesses to immediately expense rather than depreciate a greater portion of new investments. Additional simplification comes from a change in rules that allows some businesses to use cash accounting rather than accrual accounting, greatly reducing paperwork and allowing immediate deduction of supply costs until income is actually received.

We at the SBA address these and other regulatory concerns through our office of Advocacy and the National Ombudsman, but the President's agenda will make these offices stronger and more effective. Also, reforms to the government procurement process would simplify and enhance contracting opportunities for small business.

Finally, as called for by the President, the SBA, as America's small business resource, will continue to provide businesses and entrepreneurs with the information they need to succeed. Additionally the SBA will share information with other government agencies and the private sector, to assist their efforts to support small business.

When it comes to small business, President Bush and this Administration have a record of success. Last year's historic tax cut package not only brought much needed relief to America's small businesses, it has achieved its greater intended goal of boosting the economy and keeping more Americans working. The economy continues to improve due in part to the tax cut. Can anyone deny that President Bush's initiatives and leadership helped bring us along, and kept our economic engine running? In the face of the most terrible attack ever perpetrated on American soil, and the war we are waging in response to it, our economy has endured.

At the end of the day, small businesses want what all businesses want, more business. Lets not drop the ball. We can build on our success and show America's small business owners that we appreciate their hard work, dedication and resilience. The right reforms can make their job and lives easier if we follow the President's lead and make this common sense agenda a reality.

Doing so will secure yet another victory for America - and for our country's 25 million small businesses.